

CHAPTER 67

INSURANCE DIVISION; TOWNSHIP MUTUAL COMPANIES

GENERAL. The doctrine of estoppel applies as well to a mutual insurance company as to a stock company. *Forney v Farm. Mut. Fire*, 181 M 8, 231 NW 401.

67.01 TOWN COMPANIES; PROPERTY INSURABLE.

HISTORY. 1897 c. 164 s. 1; R.L. 1905 s. 1657; G.S. 1913 s. 3372; G.S. 1923 s. 3635; M.S. 1927 s. 3635.

RISK INSURABLE. Township mutual insurance companies are not limited in the amount of insurance they may carry on one risk. 1938 OAG 286.

67.02 OFFICERS.

HISTORY. 1875 c. 83 s. 2; 1897 c. 164 s. 2; 1901 c. 172 s. 1; 1905 c. 284 s. 1; G.S. 1913 s. 3373; G.S. 1923 s. 3636; M.S. 1927 s. 3636.

67.03 EFFECT OF APPLICATION; WHO MAY ACCEPT.

HISTORY. 1903 c. 110 s. 1; R.L. 1905 s. 1658; G.S. 1913 s. 3374; G.S. 1923 s. 3637; M.S. 1927 s. 3637.

67.04 REPORT TO COMMISSIONER; CASH PREMIUM.

HISTORY. 1875 c. 83 ss. 5, 12; G.S. 1878 c. 34 ss. 342, 349; 1885 c. 45; G.S. 1894 ss. 3238, 3245; 1897 c. 164 s. 8; 1903 c. 110 s. 2; R.L. 1905 s. 1659; G.S. 1913 s. 3375; G.S. 1923 s. 3638; M.S. 1927 s. 3638.

67.05 JOINT OR PARTIAL RISKS.

HISTORY. 1903 c. 110 s. 4; R.L. 1905 s. 1660; G.S. 1913 s. 3376; G.S. 1923 s. 3639; M.S. 1927 s. 3639.

67.06 EMERGENCY FUND.

HISTORY. 1903 c. 110 s. 5; G.S. 1913 s. 3377; G.S. 1923 s. 3640; M.S. 1927 s. 3640.

67.07 LOSSES; NOTIFICATION; AGREEMENT.

HISTORY. 1875 c. 83 s. 6; G.S. 1878 c. 34 s. 343; 1887 c. 79; 1891 c. 95 s. 1; G.S. 1894 s. 3239; 1897 c. 164 s. 4; R.L. 1905 s. 1662; G.S. 1913 s. 3378; G.S. 1923 s. 3641; M.S. 1927 s. 3641.

67.08 CLASSIFICATION OF PROPERTY; ASSESSMENTS.

HISTORY. 1897 c. 164 s. 5; R.L. 1905 s. 1663; G.S. 1913 s. 3379; G.S. 1923 s. 3642; M.S. 1927 s. 3642.

Liability of the members of a township mutual insurance company cannot be limited so as to prevent their being responsible for the full amount of the company's losses. 1938 OAG 286.

An assessment must be necessary to be valid. The liability of the policyholder is not absolute but is conditional upon the insuring of legitimate expenses to which the holder agreed to contribute when he became a member. *Pencille v State Farm. Mut.* 74 M 67, 76 NW 1026, 73 Am. St. Rep. 326.

67.09 WHAT PROPERTY INSURABLE.

HISTORY. 1895 c. 58; 1897 c. 164 s. 6; 1901 c. 172 s. 2; R.L. 1905 s. 1664; G.S. 1913 s. 3380; G.S. 1923 s. 3643; M.S. 1927 s. 3643.

CONSTRUCTION. If the lands involved are mainly and essentially farm or garden lands, then the property located thereon can be insured. If, however, the land is essentially city or village property and incidental thereto some gardening is done, property located thereon cannot be so insured. 1920 OAG 657.

ULTRA VIRES. When a township mutual company attempted to insure standing grain against hail damage, the contract was held ultra vires and recovery on a premium note was denied. *Del. Farm. Mut. v Wagner*, 56 M 240, 57 NW 656.

67.10 NON-RESIDENT MEMBERS; WITHDRAWAL; NOTICE.

HISTORY. 1875 c. 83 ss. 13, 14; G.S. 1878 c. 34 ss. 350, 351; 1881 c. 29 s. 1; G.S. 1894 ss. 3246, 3247; R.L. 1905 s. 1665; G.S. 1913 s. 3381; G.S. 1923 s. 3644; M.S. 1927 s. 3644.

WAIVER. The act of canceling plaintiff's policy after claiming a forfeiture for securing additional insurance amounts to waiver of the forfeiture claim. *Page v Rollingsstone Mut.* 166 M 74, 207 NW 24.

67.11 FARMERS MUTUAL FIRE COMPANIES.

HISTORY. 1891 c. 13 s. 1; G.S. 1894 ss. 3265, 3280; 1895 c. 112; 1901 c. 171; R.L. 1905 s. 1666; G.S. 1913 s. 3382; G.S. 1923 s. 3645; M.S. 1927 s. 3645.

67.12 TOWNSHIP MUTUAL FIRE INSURANCE COMPANIES.

HISTORY. 1909 c. 411 s. 1; G.S. 1913 s. 3383; 1915 c. 155 s. 1; 1923 c. 209 s. 1; G.S. 1923 s. 3646; M.S. 1927 s. 3646; 1931 c. 151; 1935 c. 269 s. 1; 1937 c. 316 s. 1.

STANDARD FORM. A township mutual company is not required to issue its fire policies in the standard form. *Buck v Patrons Co-op. Fire*, 177 M 509, 225 NW 445.

There can be no recovery for a fire loss occurring after the expiration of a policy of insurance, issued by a township mutual fire insurance company, on the theory that the by-laws, by imposing upon the secretary the duty to notify the insured of expiration, and upon other officers the duty to solicit a renewal, created any duty to the insured. The duties so imposed are unilateral and for the company's benefit. They created no contract right in the insured. *Pinske v Garfield Co.* 197 M 444, 267 NW 263.

Various rules relating to township mutual insurance companies. 1938 OAG 286, March 10, 1937 (249b-13).

67.13 CERTIFICATE OF INCORPORATION; CONTENTS.

HISTORY. 1909 c. 411 s. 2; G.S. 1913 s. 3384; G.S. 1923 s. 3647; M.S. 1927 s. 3647.

67.14 APPROVAL.

HISTORY. 1909 c. 411 s. 3; G.S. 1913 s. 3385; G.S. 1923 s. 3648; M.S. 1927 s. 3648.

67.15 POWERS OF CORPORATION.

HISTORY. 1909 c. 411 s. 4; G.S. 1913 s. 3386; G.S. 1923 s. 3649; M.S. 1927 s. 3649.

67.16 AGREEMENTS FOR FIRE PROTECTION.

HISTORY. 1929 c. 139; M. Supp. s. 3649-1.

67.17 GRAIN IN SEALED CONTAINERS INSURED.

HISTORY. 1935 c. 154; M. Supp. s. 3649-2; 1941 c. 131.

67.18 BY-LAWS.

HISTORY. 1909 c. 411 s. 5; G.S. 1913 s. 3387; G.S. 1923 s. 3650; M.S. 1927 s. 3650.

NOTICE. While a by-law providing for amendments by vote of two-thirds of the members present at any regular meeting may be a reasonable one, where there is a provision for notification before policyholders are bound by changes, notice in the manner prescribed is imperative. *Morris v Farm. Mut. F. Ins.* 63 M 420, 65 NW 655.

APPLICATION. By-laws imposing on agents and directors a unilateral duty in favor of the company cannot be given the effect of putting any term or condition in favor of the insured into the policy. *Pinske v Garfield Farm. Mut.* 197 M 444, 267 NW 263.

Policy not ultra vires when it violates a by-law but is within the powers given to mutual companies by statute. Recovery may be had on it. *Trost v Del. F. Mut.* 137 M 208, 163 NW 290.

67.19 BY-LAWS, WHERE FILED.

HISTORY. 1909 c. 411 s. 6; G.S. 1913 s. 3388; G.S. 1923 s. 3651; M.S. 1927 s. 3651.

67.20 CORPORATE EXISTENCE, LIMITED.

HISTORY. 1909 c. 411 s. 7; 1913 c. 80; s. 1; G.S. 1913 s. 3389; G.S. 1923 s. 3652; M.S. 1927 s. 3652.

67.21 CORPORATE EXISTENCE, PERPETUAL.

HISTORY. 1917 c. 228 s. 1; G.S. 1923 s. 3653; M.S. 1927 s. 3653.

67.22 CERTIFICATE, AMENDMENTS OF.

HISTORY. 1909 c. 411 s. 8; 1913 c. 80 s. 2; G.S. 1913 s. 3390; G.S. 1923 s. 3654; M.S. 1927 s. 3654.

67.23 PRINCIPAL PLACE OF BUSINESS, LOCATION CHANGED.

HISTORY. 1909 c. 411 s. 9; G.S. 1913 s. 3391; G.S. 1923 s. 3655; M.S. 1927 s. 3655.

67.24 BOARD OF DIRECTORS.

HISTORY. 1909 c. 411 s. 10; G.S. 1913 s. 3392; G.S. 1923 s. 3656; M.S. 1927 s. 3656; 1939 c. 235.

67.25 TREASURER, BONDS.

HISTORY. 1909 c. 411 s. 11; G.S. 1913 s. 3393; G.S. 1923 s. 3657; M.S. 1927 s. 3657.

67.26. INVESTMENTS AND LOANS.

HISTORY. 1909 c. 411 s. 12; G.S. 1913 s. 3394; G.S. 1923 s. 3658; 1925 c. 142; M. S. 1927 s. 3658.

67.27 WHAT MAY BE INSURED.

HISTORY. 1909 c. 411 s. 13; 1913 c. 80 s. 3; G.S. 1913 s. 3395; 1915 c. 107 s. 1; 1923 c. 338 s. 1; G.S. 1923 s. 3659; M.S. 1927 s. 3659; 1931 c. 269; 1933 cc. 52, 421; 1935 c. 104; 1941 c. 155.

STANDARD FORM. A township mutual company is not required to issue its fire policies in the standard form. *Buck v Patrons Co-op. F. Ins. Co.* 177 M 509, 225 NW 445.

Since the standard fire policy is not required of mutual companies, the union mortgage clause will not be read into policies issued by them. State Sav. Bank v Shible Mut. Co. 172 M 122, 214 NW 926.

AGENTS LICENSES. The statute relative to agents licenses does not apply to township mutual insurance companies. 1938 OAG 286.

POLICY NOT ULTRA VIRES. See *Trost v Del. F. Mut. F. Ins. Co.* 137 M 208, 163 NW 290, under section 67.18 above.

CONTRACT AGAINST PUBLIC POLICY. No recovery allowed on a policy covering a barn and personal property where a still was operated in the barn even though no recovery was asked for the loss of the still and though the insurer knew of its existence when the policy was issued. Recovery would be against public policy. *Vos v Albany Mutual*, 191 M 197, 253 NW 549.

DESCRIPTIVE; NOT PROMISSORY. The statement in the application and policy that the property insured was situate on certain described land was for the purpose of identification. It was not a promissory stipulation or a condition that it would remain there. *Trost v Del. F. Mutual*, 137 M 208, 163 NW 290.

67.28 MEMBERSHIP TERMINATED; ANNULMENT AND CANCELATION OF POLICIES.

HISTORY. 1909 c. 411 s. 14; G.S. 1913 s. 3396; G.S. 1923 s. 3660; 1927 c. 100 s. 1; M.S. 1927 s. 3660.

Defense of cancelation can be established only by a showing that a policy was canceled by a majority vote of the board of directors in the manner prescribed by this section. *Clark v Farm. Mutual*, 161 M 476, 201 NW 930.

67.29 NONPAYMENT OF PREMIUMS; POLICIES SUSPENDED OR CANCELED.

HISTORY. 1927 c. 100 s. 2; M.S. 1927 s. 3660-1.

67.30 FIRE OR LIGHTNING INSURANCE ONLY.

HISTORY. 1909 c. 411 s. 15; G.S. 1913 s. 3397; G.S. 1923 s. 3661; M.S. 1927 s. 3661.

67.31 ADVANCE ASSESSMENTS.

HISTORY. 1909 c. 411 s. 16; G.S. 1913 s. 3398; G.S. 1923 s. 3662; M.S. 1927 s. 3662; 1931 c. 63.

67.32 JOINT OR PARTIAL RISKS.

HISTORY. 1909 c. 411 s. 17; G.S. 1913 s. 3399; G.S. 1923 s. 3663; M.S. 1927 s. 3663.

SCOPE. The court refuses to decide whether this section includes joint risks carried by a township mutual fire insurance company with some other insurer not itself a township mutual. *Pierowicz v Farm. Mutual*, 176 M 31, 222 NW 514.

67.33 REINSURANCE.

HISTORY. 1927 c. 271; M.S. 1927 s. 3363-1.

67.34 APPLICATIONS, WHO MAY ACCEPT.

HISTORY. 1909 c. 411 s. 18; G.S. 1913 s. 3400; G.S. 1923 s. 3664; M.S. 1927 s. 3664.

SCOPE. This section does not prohibit a township mutual fire insurance company from making an oral contract of insurance. *Wieland v St. Louis County F. & M.* 146 M 255, 178 NW 499.

MINNESOTA STATUTES 1945 ANNOTATIONS

67.35 TOWNSHIP MUTUALS

462

RESIDENT AGENT. This section and section 67.36 seem to classify the president of the board as a "resident agent". *Ceska Farmarska V.P.S. v Pavek*, 203 M 597, 279 NW 747.

67.35 CLASSIFICATION OF PROPERTY.

HISTORY. 1909 c. 411 s. 19; G.S. 1913 s. 3401; G.S. 1923 s. 3665; M.S. 1927 s. 3665.

67.36 LOSSES; ADJUSTMENT.

HISTORY. 1909 c. 411 s. 20; G.S. 1913 s. 3402; G.S. 1923 s. 3666; 1925 c. 56; M.S. 1927 s. 3666.

WAIVER. A denial of liability by the company waives all conditions precedent to suit and there is nothing to arbitrate. *Page v Rollingsstone Mutual*, 166 M 74, 207 NW 24.

RESIDENT AGENT. See *Ceska Farmarska V.P.S. v. Pavek*, 203 M 597, 279 NW 747, under section 67.34 above.

67.37 ANNUAL MEETING.

HISTORY. 1909 c. 411 s. 21; G.S. 1913 s. 3403; G.S. 1923 s. 3667; M.S. 1927 s. 3667.

67.38 FEES.

HISTORY. 1909 c. 411 s. 22; G.S. 1913 s. 3404; G.S. 1923 s. 3668; M.S. 1927 s. 3668.

67.39 WHAT COMPANIES MAY COME UNDER LAWS 1909, CHAPTER 411.

HISTORY. 1909 c. 411 s. 23; G.S. 1913 s. 3405; G.S. 1923 s. 3669; M.S. 1927 s. 3669.

67.40 APPLICATION OF LAWS 1909, CHAPTER 411.

HISTORY. 1909 c. 411 s. 24; G.S. 1913 s. 3406; G.S. 1923 s. 3670; M.S. 1927 s. 3670.

SCOPE OF EXEMPTION. Township mutual companies are not required to use the standard fire policy. *Trost v Del. F. Mutual*, 137 M 208, 163 NW 290.

Since the standard fire policy is not required of mutual companies, the union mortgage clause will not be read into policies issued by them. *State Sav. Bank v Shible Mutual*, 172 M 122, 214 NW 926.

The statute relative to agents licenses does not apply to township mutual insurance companies. 1938 OAG 286.

67.41 CONSOLIDATION.

HISTORY. 1909 c. 411 s. 25; G.S. 1913 s. 3407; G.S. 1923 s. 3671; M.S. 1927 s. 3671.

67.42 EXAMINATION BY COMMISSIONER.

HISTORY. 1909 c. 411 s. 26; G.S. 1913 s. 3408; G.S. 1923 s. 3672; M.S. 1927 s. 3672.

67.43 FRAUDULENT STATEMENTS.

HISTORY. 1909 c. 411 s. 27; G.S. 1913 s. 3409; G.S. 1923 s. 3673; M.S. 1927 s. 3673.

67.44 MUTUAL INSURANCE COMPANIES FOR INSURING HORSES AND CATTLE.

HISTORY. 1917 c. 332 s. 1; 1921 c. 169 s. 1; G.S. 1923 s. 3674; M.S. 1927 s. 3674.

MINNESOTA STATUTES 1945 ANNOTATIONS

463

TOWNSHIP MUTUALS 67.54

67.45 MUTUAL REINSURANCE OR GUARANTEE ASSOCIATIONS.

HISTORY. Ex. 1919 c. 55 s. 1; 1921 c. 399 s. 1; G.S. 1923 s. 3675; M.S. 1927 s. 3675; 1931 c. 178 s. 1.

67.46 FILING OF ARTICLES OR RESOLUTIONS.

HISTORY. Ex. 1919 c. 55 s. 2; G.S. 1923 s. 3676; M.S. 1927 s. 3676.

67.47 MEMBERS MAY WITHDRAW.

HISTORY. Ex. 1919 c. 55 s. 3; 1921 c. 399 s. 2; G.S. 1923 s. 3677; M.S. 1927 s. 3677.

67.48 CORPORATE POWERS.

HISTORY. Ex. 1919 c. 55 s. 4; G.S. 1923 s. 3678; M.S. 1927 s. 3678.

67.49 SELECTION OF DIRECTORS.

HISTORY. Ex. 1919 c. 55 s. 5; G.S. 1923 s. 3679; M.S. 1927 s. 3679.

67.50 PERPETUAL EXISTENCE.

HISTORY. Ex. 1919 c. 55 s. 6; G.S. 1923 s. 3680; M.S. 1927 s. 3680.

67.51 ASSESSMENTS TO BE PAID.

HISTORY. Ex. 1919 c. 55 s. 7; G.S. 1923 s. 3681; M.S. 1927 s. 3681; 1931 c. 178 s. 2.

67.52 ANNUAL STATEMENT.

HISTORY. Ex. 1919 c. 55 s. 8; G.S. 1923 s. 3682; M.S. 1927 s. 3682.

67.53 FEES TO BE PAID.

HISTORY. Ex. 1919 c. 55 s. 9; G.S. 1923 s. 3683; M.S. 1927 s. 3683.

67.54 COMMISSIONER TO HAVE SUPERVISION.

HISTORY. Ex. 1919 c. 55 s. 10; G.S. 1923 s. 3684; M.S. 1927 s. 3684.